

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 24, 2018

GI-2018-06-PGE-75-01ABC

Mr. Sumeet Singh, Vice President (s1st@pge.com)
Pacific Gas and Electric Company
Portfolio Management & Engineering
6111 Bollinger Canyon Road, Room 4590-D
San Ramon, CA 94583

SUBJECT: General Order 112-F Gas Inspection of PG&E's Gas Storage Facilities

Dear Mr. Singh:

On behalf of the Safety and Enforcement Division (SED) of the California Public Utilities Commission, Joel Tran, Nathan Sarina, Kai Cheung, Anthony Phu, and Yi Yang conducted a General Order 112-F inspection of Pacific Gas & Electric Company's (PG&E) Gas Storage Facilities (Gas Storage) from June 4-15, 2018. The inspection included a review of Gas Storage's operation and maintenance records for the years 2015 through 2017, and a field inspection of a representative sample of Gas Storage's facilities. SED staff also reviewed Gas Storage's operator qualification records, which included a field observation of randomly selected individuals performing covered tasks.

SED's findings are noted in the Summary of Inspection Findings (Summary) which is enclosed with this letter.

Within 30 days of your receipt of this letter, please provide a written response indicating the measures taken by PG&E to address the violations and observations noted in the Summary.

If you have any questions, please contact Joel Tran at (415) 515-3442 or by email at joel.tran@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Kenneth A. Bruno".

Kenneth Bruno
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division

Enclosure: Summary of Inspection Findings

cc: Susie Richmond, PG&E (gsr8@pge.com)
Mike Bradley, PG&E (M0BJ@pge.com)
Dennis Lee, SED (dennis.lee@cpuc.ca.gov)
Terence Eng, SED (terence.eng@cpuc.ca.gov)

SUMMARY OF INSPECTION FINDINGS

I. Probable Violations

A. PG&E's Internal Inspection Findings

At the start of the inspection, PG&E provided SED its findings from the internal review it conducted of Gas Storage. Some of PG&E's internal review findings are violations of PG&E's standards, and are therefore violations of Title 49 Code of Federal Regulations (CFR), §192.605(a). SED is aware that PG&E began remediation of all its findings prior to SED's inspection. Table 1 lists all of the violations from PG&E's internal review.

Table 1: Findings from PG&E's Internal Review

Code	Finding	Instances
192.605(a)	Pressure limiting valves went beyond the 45 day compliance timeframe outlined in TD-4545S	23
192.605(a)	Pressure relief valve capacity not recalculated as outlined in H-70	8
192.743(a)	Missed annual review of relief valve capacity calculation	6
192.805(b)	Valve maintained by individual without proper qualifications	1
192.731(b)	Defective pressure relief valve in a compressor station was not promptly repaired or replaced	1

B. SED Findings

1. Title 49 CFR §192.481(a) states:

"Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows: Onshore - At least once every 3 calendar years, but with intervals not exceeding 39 months"

During record review of exposed spans in McDonald Island, SED discovered nine McDonald Island exposed spans originally inspected for atmospheric corrosion on 2/10/2015 with subsequent inspection dates listed in Table 2 below.

Table 2: Exposed Spans Inspection Dates

Equipment ID	Subsequent Inspection
49932222	6/6/2018
49932224	6/6/2018
49932225	6/6/2018
49932226	6/6/2018
49932227	6/6/2018
49932228	6/6/2018
49932220	Removed from Spans List 6/12/2018
49932223	Removed from Spans List 6/12/2018
49932221	Removed from Spans List 6/12/2018

Because the nine spans were last inspected on 2/10/2015, the next inspections were due by 5/10/2018. PG&E failed to complete an atmospheric corrosion inspection of these spans within the required 39 month interval.

II. Areas of Concern / Recommendations

1. During the field verification of pipe-to-soil readings, SED noted a low pipe-to-soil reading (outside the -850mV requirement) at the following location.

- Turner Cut Station Mainline at end of vault: -789mV

Please provide to SED what PG&E plans to do to address this issue.